STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
ASSESSMENT DIVISION/ PUBLIC UTILITIES

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To: All Non-Rail Public Utility Companies as defined in IC 6-1.1-8

Re: Filing Form UD-ID

From: Keilah K. Heffington, Utility Specialist

Date: January 2007

A calculation sheet has been added for your convenience to the modified form UD-ID to be filed in 2007.

To determine how much to apply for as an inventory deduction on state distributable property, use the following methodology:

1. To determine year one values for filing form UD-ID, start with the cost of distributable property from schedule A-1 of UD-45.
2. Multiply the cost by the allocation percentage from Schedule H of UD- 45 for the taxing unit for which you are filing.
3. Place the resulting amount in section 2 of the form UD-ID.
4. Take the depreciated (or taxable) value on schedule A-1 of UD-45.
5. Subtract the 60 percent gross additions credit amount figured on A-1 of UD-45.
6. The remainder is the True Tax Value (TTV) and should be listed in section 3 of Form UD-ID.
7. The TTV should then be multiplied by 75% to determine the amount of the deduction available. Round to the nearest $10.

For years two and three:

1. Start with the same cost determined in year one for both year two and year three.
2. Subtract federal tax depreciation for the property on which you are requesting the deduction.
3. List the resulting TTV in Section 3 of Form UD-ID in the column entitled “TTV of Property Additions.”
4. Multiply the TTV added in the district by 50% for year two or by 25% for year three.

When filing form UD-ID for property filed on Form 1 (State form 1882) for year one use the following methodology:

1. Start with the cost of additions listed on line 15 column A and place that number in Section 2 of Form UD-ID.
2. To determine the amount subject to the deduction, remove depreciation to find taxable value. (Column C of line 15)
3. Then remove the 60 percent Gross Additions Credit amount (Line 16 of Form-1) from taxable value to determine true taxable value added to the taxing unit.
4. Place the resulting figure in Section 3 of Form UD-ID and multiply by 75 percent.

For years two and three:

1. Start with the same cost figured in year one.
2. Remove current year federal tax depreciation from the cost.
3. Place the resulting figure in Section 3 of Form UD-ID and multiply by the appropriate percentage for Year Two or Year Three, whichever applies.

Please Note: If the value of the taxpayer’s property is at or below the 30 percent minimum value, the investment deduction will be calculated in accordance with the minimum value ratio memo, available at: http://www.in.gov/dlgf/pdfs/260-2006-051006.pdf